

AMENDED IN ASSEMBLY MARCH 16, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2313

Introduced by Assembly Member Williams

February 18, 2016

An act to add Section ~~39733~~ to the Health and Safety Code, 399.23 to the Public Utilities Code, relating to ~~greenhouse gases~~ renewable energy resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 2313, as amended, Williams. Renewable natural ~~gas~~ gas: monetary incentive program for biomethane projects.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations. Existing law requires the commission to adopt, by rule or order, (1) standards for biomethane that specify the concentrations of constituents of concern that are reasonably necessary to protect public health and ensure pipeline integrity and safety, as specified, and (2) requirements for monitoring, testing, reporting, and recordkeeping, as specified. Existing law requires the commission to require gas corporation tariffs to condition access to common carrier pipelines on the applicable customer meeting those standards and requirements. Existing law requires the commission to adopt policies and programs that promote the in-state production and distribution of biomethane, as defined, that facilitate the development of a variety of sources of in-state biomethane. The commission has adopted two decisions implementing these requirements, the second of which adopted a monetary incentive program for biomethane projects pursuant to which a qualifying project is entitled to a one-time payment of 50% of the interconnection costs incurred by

the biomethane producer, up to a total payment of \$1,500,000. Total cost of the monetary incentive program for biomethane projects is limited to \$40,000,000 over the 5-year life of the program.

This bill would require the commission to modify the monetary incentive program for biomethane projects so that the total available incentive limitation for a project, other than a dairy cluster biomethane project, as defined, is increased from \$1,500,000 to \$3,000,000. The bill would require the commission to increase the total available incentive limitation for a dairy cluster biomethane project to \$5,000,000 and would require that gathering lines for transport of biogas to a centralized processing facility for the project be treated as an interconnection cost.

~~Existing law designates the State Air Resources Board as the state agency charged with coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles. The California Global Warming Solutions Act of 2006 establishes the state board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases.~~

~~This bill would require the state board to study and evaluate a strategy or strategies to increase the instate production and use of renewable natural gas, as defined, to further specified goals.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 399.23 is added to the Public Utilities
- 2 Code, to read:
- 3 399.23. The commission shall modify the monetary incentive
- 4 program for biomethane projects adopted in Decision 15-06-029
- 5 (June 11, 2015), Decision Regarding the Costs of Compliance with
- 6 Decision 14-01-034 and Adoption of Biomethane Promotion
- 7 Policies and Program, as follows:
- 8 (a) Except for a dairy cluster biomethane project, the total
- 9 available incentive limitation for a project shall be increased from
- 10 one million five hundred thousand dollars (\$1,500,000) to three
- 11 million dollars (\$3,000,000).
- 12 (b) For a dairy cluster biomethane project, the total available
- 13 incentive limitation shall be raised to five million dollars

1 (\$5,000,000). For purposes of this subdivision, a dairy cluster
2 biomethane project means a biomethane project of three or more
3 dairies in close proximity to one another employing multiple
4 facilities for the capture of biogas that is transported by multiple
5 gathering lines to a centralized processing facility where the biogas
6 is processed to meet the biomethane standards adopted by the
7 commission pursuant to subdivisions (c) and (d) of Section 25421
8 of the Health and Safety Code and injected into the pipeline of the
9 gas corporation through a single interconnection. Costs incurred
10 for gathering lines for a dairy cluster biomethane project shall be
11 treated as an interconnection cost.

12 ~~SECTION 1. Section 39733 is added to the Health and Safety~~
13 ~~Code, to read:~~

14 ~~39733. (a) For purposes of this section, “renewable natural~~
15 ~~gas” means a finished fuel derived from organic waste or other~~
16 ~~renewable sources, including, but not limited to, biogas, as defined~~
17 ~~in Section 25420, and synthetic natural gas generated from an~~
18 ~~eligible feedstock, as determined by the state board.~~

19 ~~(b) The state board shall study and evaluate a strategy or~~
20 ~~strategies to increase the instate production and use of renewable~~
21 ~~natural gas to further achieves the state’s air quality, climate,~~
22 ~~renewable energy, waste diversion, and petroleum reduction goals.~~